City of Poughkeepsie
Finance Committee
Agenda

THURSDAY FEBRUARY 10th, 2022
6.30 p.m.

https://us02web.zoom.us/webinar/register/WN_UhyBLdwsT0KfSTfKCvz9bg

1. **Call to Order by Chair Long**
2. **Roll Call**
3. **Public Comment:**
4. **2021 Year End Update**
5. **ARPA Premium Pay for City Staff**
6. **Old Business:**
7. **New Business:**
8. **Executive Session to Discuss Pending Litigation**
9. **Adjournment**

Robert G. Rolison
Mayor

Marc Nelson, MPA
City Administrator

Brian E. Martinez, PhD
Commissioner of Finance

The City of Poughkeepsie
New York

Memorandum

TO: Debra Long, Finance Committee Chair

FROM: Brian Martinez, PhD, Commissioner of Finance

DATE: February 7, 2022

SUBJECT: City of Poughkeepsie – ARPA Ward Funds Policy (Separate from City Ward Funds and Policy)

C: Marc Nelson, MPA, City Administrator
Margaret Guarino, M.A., Managing Director, Capital Markets Advisors, LLC
James Nytko, MPA, ARPA Consultant, Capital Markets Advisors, LLC

As the City's Commissioner of Finance, acting in my assigned roles as Treasurer, Procurement Officer, and as the reporting official responsible for compliance and reporting to U.S. Treasury for American Rescue Plan Act (ARPA) funds, this policy memo reinforces standing guidance from the U.S. Treasury for the proper treatment and handling of the City's ARPA ward funds. In the 2022 approved budget, $400,000 is identified in Common Council general ledger accounts at 01-01-1010-7469.AR as "Ward Specific Funds". $50,000 is allocated to each of eight Council Members, excluding the Council Chair.

The Secretary of the Treasury is adopting as final the interim final rule published on May 17, 2021. This rule implements the State and Local Fiscal Recovery Funds (SLFRF) established under the ARPA. Specifically, ARPA funds may be used for four eligible use categories: 1) Responding to the public health and negative economic impacts of the pandemic (which includes several sub-categories), 2) Providing premium pay to essential workers, 3) Providing government services to the extent of revenue loss due to the pandemic, and 4) Making necessary investments in water, sewer, and broadband infrastructure.

In 2021, the City of Poughkeepsie put administrative controls in place consistent with best practices in program management. These controls are intended to ensure compliance with U.S. Treasury rules regarding uses of ARPA funds and mandatory reporting requirements. The City of Poughkeepsie established an ARPA Task Force comprised of three Council members and three administrative staff. The Task Force is responsible for reviewing and making non-binding recommendations regarding awards for ARPA project requests to the Mayor and City Council. A graphic representation of the City's ARPA project administration procedure is provided at the end of this memo. Project information in the required intake form is characterized by defining unique goals, evidence-based deliverables, schedules, and performance measures. Intake forms are reviewed and scored by the ARPA Task Force members.

ARPA funds, including the ward allocation, may only be used for eligible purposes, as specified by the U.S. Treasury in its Final Rule. *The US Treasury has advised that it will seek to recoup ARPA funds utilized for ineligible activities.*

Although the ward allocations have been approved in total, each project or use of these funds will be required to go through the City's standard ARPA process in order to ensure eligibility and that all future reporting and compliance requirements are met. Generally, each project or use will require the completion of the prescribed "intake form," that is available on the City's ARPA Information and Transparency Portal (https://cityofpoughkeepsiearp.org/process/#intake). Upon completion of the intake form, proposed projects are reviewed by the Task Force who will make a recommendation to the Mayor and the City Council relative to the use of the ARPA funds requested. Included below is a visual summary of the City's standard ARPA decision making process. Capital Markets Advisors, LLC was retained to assist the City with the administration of ARPA funds. James Nytko is the contact lead for Capital Markets and is available to assist you with the development of intake forms. As always, Finance staff and I are ready to assist the Council.